



MEMORANDUM

Council Agenda
Item No. IX.L.
7/18/2017

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Redevelopment Agreement with Omni OKC, LLC, the Oklahoma City Urban Renewal Authority and the Oklahoma City Economic Development Trust for the development of a full-service convention center hotel and related improvements at area bounded by South Robinson Avenue and South Broadway Avenue between SW 3rd Street and SW 4th Street, public participation of \$85,400,000. Ward 6.

Location Area bounded by South Robinson Avenue and South Broadway Avenue between SW 3rd Street and SW 4th Street

Background Based on consultant studies and industry standards, it has been determined that an integral component necessary to support and maximize the potential of the new \$288 million convention center is the development of an adjacent designated convention center hotel ("Hotel"). On June 11, 2013 (Item No. VIII. O.), the City Council approved a resolution authorizing the Executive Director of the Oklahoma City Urban Renewal Authority to lead negotiations for the development of a potential Hotel. On April 1, 2014 (Item No. VI. R.), the City Council approved an amended contract with Public Financial Management to provide professional services and perform due diligence as it pertained to a potential Hotel.

On January 20, 2015 (Item No. VIII. C.), the City Council approved the Request for Proposals ("RFP") and authorized the solicitation of proposals from potential hotel developers and/or operators. The City received seven proposals in response to the RFP on March 3, 2015. On March 26, 2015, the Selection Committee reviewed the seven proposals and selected the top four finalists for future consideration. The selection process was delayed for more than six months while the potential location of the new convention center was discussed and determined. On October 13, 2015, the City Council selected a new site for the convention center.

Additional information related to the potential hotel financial structure and operating revenues and expenditures was solicited from the proposal finalists on June 6, 2016. The Executive Director of the Oklahoma City Urban Renewal Authority received two responses to the request for additional information, one from Marcus/Mortenson and one from Omni

Hotels and Resorts on the deadline of August 1, 2016. On September 21, 2016, the Selection Committee convened with the two finalists in order to obtain additional information and clarification pertaining to the final proposals. Subsequent to the September 21, 2016 meeting, the Selection Committee unanimously recommended Omni Hotels and Resorts as the lead developer of the Hotel with a minimum of 600 guest rooms.

On September 27, 2016, the City Council adopted a resolution to authorize and direct the City Manager and the Executive Director of the Oklahoma City Urban Renewal Authority to negotiate an Economic Development Agreement with Omni Hotels and Resorts, and any other necessary parties. The resolution also directed the City Manager and Executive Director of the Oklahoma City Urban Renewal Authority to develop a funding plan to support the proposed Economic Development Agreement.

Since October 2016, the Executive Director of the OCURA and City staff from the Finance Department, Municipal Counselor's Office and City Manager's Office along with PFM have been in negotiations with Omni Hotels for the construction and development of the Convention Center Hotel.

The attached Redevelopment Agreement outlines the terms and conditions as well as the process by which the public participation will be provided towards the Project.

Total Cost	\$150,100,000 Private Capital \$ 85,400,000 Public Participation \$235,500,000 Total Project Cost
Source of Funds	\$85,400,000 - Various sources of funds as identified in the Omni Hotel Funding Plan
Previous Action	City Council adopted resolution on September 27, 2016 (Item No. IX. P.) authorizing negotiation of an Economic Development Agreement with Omni Hotels and Resorts and any other necessary parties as well as directing the development of a funding plan to support the proposed Economic Development Agreement. City Council approved Request for Proposals to be advertised for a Downtown Convention Center Hotel Developer and Management Services on January 20, 2015 (Item No. VIII. C.).
Review	City Manager's Office - Economic Development

Recommendation: Agreement be approved.

Attachment